OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834
www.auditor.iowa.gov

Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE: August 26, 2026

Contact: Brian Brustkern – (515) 281-5834

Auditor of State Rob Sand today released a report on the Iowa Public Employes' Retirement System for the year ended June 30, 2025.

The Iowa Public Employees' Retirement System is a part of the State of Iowa and, as such, has been included in our audit of the State's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2025. We have also audited the financial statements of IPERS as of and for the year ended June 30, 2025 and have issued our report thereon dated December 18, 2025. The System provides retirement, disability and death benefits to most public employees in the State of Iowa.

AUDIT FINDINGS:

Sand reported one finding related to the System. The finding is on page 3 of this report. The finding addresses Code of Iowa 73.16 related to targeted small businesses. Sand provided the System with a recommendation to address the finding.

Management of the Iowa Public Employes' Retirement System has a fiduciary responsibility to provide oversight of the Department's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" management exercises in its fiduciary capacity.

A copy of the audit report is available for review on the Auditor of State's website at Audit Reports – Auditor of State.

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REPORT OF RECOMMENDATIONS TO THE
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

JUNE 30, 2025

2660-5530-B000

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Rob Sand
Auditor of State

August 24, 2026

To Elizabeth Hennessey, Acting Chief Executive Officer of the
Iowa Public Employees' Retirement System:

I am pleased to submit to you this Report of Recommendations for the Iowa Public Employees' Retirement System for the year ended June 30, 2025. The report includes a finding pertaining to the Systems' compliance with statutory requirements and other matters which resulted from the fiscal year 2025 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of Iowa Public Employees' Retirement System throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

Rob Sand
Auditor of State

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August 24, 2026

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Iowa Public Employees' Retirement System:

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In conducting our audits, we became aware of an aspect concerning the System's operations for which we believe corrective action is necessary. As a result, we have developed a recommendation which is reported on the following page. We believe you should be aware of this recommendation, which pertains to the System's compliance with statutory requirements and other matters. The recommendation has been discussed with System personnel and their response to the recommendation is included in this report. While we have expressed our conclusion on the System's response, we did not audit the Iowa Public Employees' Retirement System's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the System, citizens of the State of Iowa and other parties to whom the System may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the System during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the System are listed on page 4 and they are available to discuss these matters with you.

Brian R. Brustkern, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
Kraig Paulsen, Director, Department of Management
Timothy McDermott, Director, Legislative Services Agency

Findings Related in the State's Single Audit Report:

No matters were reported.

Finding Reported in the States's Report on Internal Controls:

No matters were reported.

Other Findings Related to Internal Control:

No matters were reported.

Findings Related to Statutory Requirements and Other Matters:

(1) Targeted Small Businesses – Chapter 73.16 of the Code of Iowa requires the Director of each state agency or department of state government (state agency) having purchasing authority, in cooperation with the Targeted Small Business (TSB) Marketing and Compliance Manager of the Iowa Economic Development Authority (IEDA), to establish a procurement goal for certified targeted small businesses each fiscal year. The procurement goal shall include the procurement of goods and services, including construction, but excluding utility services. The goal shall be stated in terms of a dollar amount and at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year. The TSB procurement goal for the System for fiscal year 2025 was not set at a level exceeding fiscal year 2024 actual TSB spending

Recommendation – The System should ensure they establish a goal in terms of a dollar amount and at a level exceeding the procurement levels from certified targeted small businesses during the previous fiscal year.

Response – This matter will be corrected going forward starting with the FY2027 goal.

Conclusion– Response accepted.

Staff:

Questions or requests for further assistance should be directed to:

Brian R. Brustkern, CPA, Deputy
Katherine L. Rupp, CPA, Manager
Ethan M. Snedigar, Senior Auditor II

Other individuals who participated in the audits include:

Jon G. Hanson, Senior Auditor
Katherine A. Koele, Staff Auditor
Benjamin I. Manchester, Staff Auditor
Hunter W. Penton, Staff Auditor